

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Technical College,  
Shelby M. Jackson Campus  
Louisiana Community and  
Technical College System  
State of Louisiana  
Ferriday, Louisiana

May 28, 2003



***Financial and Compliance Audit Division***

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**LOUISIANA TECHNICAL COLLEGE,  
SHELBY M. JACKSON CAMPUS  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA**

Ferriday, Louisiana

Management Letter  
Dated May 14, 2003

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

May 28, 2003



OFFICE OF  
**LEGISLATIVE AUDITOR**  
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May 14, 2003

**LOUISIANA TECHNICAL COLLEGE,  
SHELBY M. JACKSON CAMPUS  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA**  
Ferriday, Louisiana

As part of our audit of the Louisiana Community and Technical College System's financial statements for the year ending June 30, 2003, we considered the Louisiana Technical College, Shelby M. Jackson Campus' internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested the campus' compliance with laws and regulations that could have a direct and material effect on the System's financial statements as required by *Government Auditing Standards*.

The annual financial information provided to the Louisiana Community and Technical College System by the campus is not audited or reviewed by us, and, accordingly, we do not express an opinion on that financial information. The campus' accounts are an integral part of the Louisiana Community and Technical College System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

Based on the application of the procedures referred to previously, all significant findings are included in this letter for management's consideration.

**Inadequate Segregation of Duties**

The Louisiana Technical College, Shelby M. Jackson Campus did not have adequate segregation of duties over financial data entered into the PeopleSoft accounting system, which is the primary accounting system used by the Louisiana Community and Technical College System and the individual technical college campuses. A good system of internal control would segregate duties so that no one employee is in a position to commit errors or fraud that would not be detected timely by another employee in the regular course of performing assigned duties.

In reviewing the internal control over the campus' accounting function, it was determined that the accountant performs the following incompatible functions:

- Enters financial transactions such as deposits, purchase orders, payment requests, and journal entries into the PeopleSoft accounting system and reviews the associated PeopleSoft reports.
- Receives the tuition fees and book sales collected from the bookstore manager, reconciles the amount collected to the bookstore's daily sales reports, and prepares the bank deposits.

## LEGISLATIVE AUDITOR

**LOUISIANA TECHNICAL COLLEGE,  
SHELBY M. JACKSON CAMPUS  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA**

Management Letter, Dated May 14, 2003

Page 2

- Writes a check on the local bank account to transfer the tuition fees and book sales to the state treasurer's office for deposit to the Louisiana Community and Technical College System's account.

These conditions exist because management did not obtain appropriate training for all of its administrative personnel to use the PeopleSoft system. Also, management had not reviewed the job duties assigned to ensure an adequate segregation of duties. The lack of an adequate segregation of duties increases the risk that errors and/or fraud could occur and not be detected in a timely manner.

Management should establish an adequate segregation of duties and obtain appropriate training for its administrative personnel. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 1).

### **Noncompliance With Record Retention Law**

The Louisiana Technical College, Shelby M. Jackson Campus did not establish or submit a written record retention schedule to the Secretary of State (State Archives) in accordance with state law. Louisiana Revised Statute 44:411(A)(1) requires agency heads to submit schedules to the state archivist that state the length of time each state record or series of records should be retained for administrative, legal, or fiscal purposes after the records have been created or received by the agency.

Failure to establish a written record retention schedule could result in the destruction or deterioration of critical records while failure to submit the schedule to the Secretary of State results in noncompliance with state law. In addition, the lack of a written retention schedule could result in the agency keeping records beyond the legally required retention date, which would be an inefficient use of office or warehouse space. These conditions occurred because campus management was not aware of the requirement.

Management should establish and submit a written record retention schedule to the Secretary of State as required by state law. Management concurred in part with the finding because it does not believe that campus deans are responsible for preparing or submitting a record retention schedule to State Archives. On March 12, 2003, the Louisiana Community and Technical College System (LCTCS) Board of Supervisors adopted a policy requiring each LCTCS chancellor, including the Louisiana Technical College chancellor, to establish a formal record retention policy. The policy will require approval of the LCTCS Board of Supervisors and the state archivist (see Appendix A, page 2).

LEGISLATIVE AUDITOR

**LOUISIANA TECHNICAL COLLEGE,  
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STATE OF LOUISIANA**

Management Letter, Dated May 14, 2003

Page 3

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the campus. The varying nature of the recommendations, their implementation costs, and their potential impact on the operations of the campus should be considered in reaching decisions on courses of action. The finding relating to the campus' compliance with applicable laws and regulations should be addressed immediately by management.

This letter is intended for the information and use of the campus and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, with a large, stylized initial "G".

Grover C. Austin, CPA  
First Assistant Legislative Auditor

JA:STD:THC:ss

[LTCSMJ03]

## Appendix A

### Management's Corrective Action Plans and Responses to the Findings and Recommendations



# LOUISIANA TECHNICAL COLLEGE

## Office of the Chancellor

150 Third Street – Suite 200  
Baton Rouge, Louisiana 70801  
Telephone: 225/219-9532  
Facsimile: 225/219-9497

James S. Clarke, Ph.D.  
Acting Chancellor

April 7, 2003

### CAMPUSES:

Acadian Campus  
Alexandria Campus  
Ascension Campus  
Avoyelles Campus  
Bastrop Campus  
Baton Rouge Campus  
Charles B. Coreil Campus  
Delta Ouachita Campus  
Evangeline Campus  
Florida Parishes Campus  
Folkes Campus  
Gulf Area Campus  
Hammond Area Campus  
Huey P. Long Campus  
Jefferson Campus  
Jumonville Memorial Campus  
L. E. Fletcher Campus  
Lafayette Campus  
Lafourche Campus  
Lamar Salter Campus  
Mansfield Campus  
Morgan Smith Campus  
Natchitoches Campus  
North Central Campus  
Northeast LA Campus  
Northwest LA Campus  
Oakdale Campus  
River Parishes Campus  
Ruston Campus  
Sabine Valley Campus  
Shelby M. Jackson Campus  
Shreveport Bossier Campus  
Sidney N. Collier Campus  
Slidell Campus  
Sowela Campus  
Sullivan Campus  
T. H. Harris Campus  
Tallulah Campus  
Tech Area Campus  
West Jefferson Campus  
Westside Campus  
Young Memorial Campus

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

### **Re: Inadequate Segregation of Duties**

Dear Mr. Austin:

The Louisiana Technical College has received the audit finding referenced above relating to the Shelby-Jackson campus. Management concurs with this finding.

Please be advised that corrective action will be taken. Management ensures that proper segregation of duties will be implemented.

The contact person responsible for implementation is Beth Sigler.

Sincerely,

*James S. Clarke*  
James S. Clarke, Ph.D.  
Acting Chancellor

JSC/dp

C: Dr. Walter G. Bumphus (LCTCS President)  
Dr. Leonard Garrett (Acting Chancellor)  
Mr. A. R. King (Campus Administrator)  
Mr. Allen Brown (LCTCS Internal Audit Director)  
Ms. Jan Jackson (LCTCS Vice President for Finance/Administration)  
File

An Equal Opportunity  
College





James S. Clarke, Ph.D.  
Acting Chancellor

# LOUISIANA TECHNICAL COLLEGE

## Office of the Chancellor

150 Third Street – Suite 200  
Baton Rouge, Louisiana 70801  
Telephone: 225/219-9532  
Facsimile: 225/219-9497

March 21, 2003

### CAMPUSES:

Acadian Campus  
Alexandria Campus  
Ascension Campus  
Avoyelles Campus  
Bastrop Campus  
Baton Rouge Campus  
Charles B. Coreil  
Campus  
Delta Ouachita Campus  
Evangeline Campus  
Florida Parishes Campus  
Folkes Campus  
Gulf Area Campus  
Hammond Area Campus  
Huey P. Long Campus  
Jefferson Campus  
Jumonville Memorial  
Campus  
L. E. Fletcher Campus  
Lafayette Campus  
Lafourche Campus  
Lamar Salter Campus  
Mansfield Campus  
Morgan Smith Campus  
Natchitoches Campus  
North Central Campus  
Northeast LA Campus  
Northwest LA Campus  
Oakdale Campus  
River Parishes Campus  
Ruston Campus  
Sabine Valley Campus  
Shelby M. Jackson  
Campus  
Shreveport Bossier  
Campus  
Sidney N. Collier  
Campus  
St. dell Campus  
Sowela Campus  
Sullivan Campus  
T. H. Harris Campus  
Tallulah Campus  
Teche Area Campus  
West Jefferson Campus  
Westside Campus  
Young Memorial Campus

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

### **Re: Noncompliance with Record Retention Law**

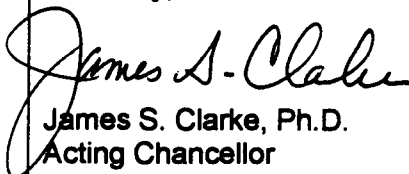
Dear Mr. Austin:

The Louisiana Technical College has received the audit finding referenced above relating to the Shelby Jackson campus. Management concurs in part with this finding.

The Louisiana Community and Technical College System (LCTCS) Board of Supervisors adopted a policy on March 12, 2003, requiring each LCTCS Chancellor to establish a formal records retention policy. Accordingly, the Louisiana Technical College will prepare a formal records retention schedule for approval by the LCTCS Board of Supervisors and the State Archivist. Campus administrators have not been nor will be responsible for preparing or submitting a schedule to State Archives.

Dr. Florent Hardy, Jr., State Archivist, has agreed to provide assistance and training to the Louisiana Technical College. Responsibility for ensuring that the record retention policy is fully implemented has been delegated to Devery Pierce.

Sincerely,

  
James S. Clarke, Ph.D.  
Acting Chancellor

JSC/dp

C: Dr. Walter G. Bumphus  
Mr. A.R. King